



# Social Security Administration

***Strategic Plan***  
2003-2008



## Mission

*To advance the economic security of the nation's people*  
through compassionate and vigilant leadership in shaping and managing  
America's social security programs

### Goals

### Objectives

#### SERVICE

To deliver high-quality,  
citizen-centered service

- Make the right decision in the disability process as early as possible
- Increase employment for people with disabilities
- Improve service through technology

#### STEWARDSHIP

To ensure superior  
stewardship of Social Security  
programs and resources

- Prevent fraudulent and erroneous payments and improve debt management
- Increase the accuracy of earnings records
- Strengthen the integrity of the Social Security Number
- Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes

#### SOLVENCY

To achieve sustainable  
solvency and ensure Social  
Security programs meet the needs  
of current and future  
generations

- Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

#### STAFF

To strategically manage  
and align staff to support SSA's  
mission

- Recruit, develop and retain a high-performing workforce

### Values

Respectful

Responsive

Reliable

## A Message from the Commissioner

I'm pleased to present the Social Security Administration's Strategic Plan for Fiscal Years 2003-2008. The plan reflects my priorities — service, stewardship, solvency, and staff. It also provides a guide for meeting the goals of the President's Management Agenda and the Government Performance and Results Act.



SSA's strategic plan describes strategies for delivering results by integrating performance with a multi-year service delivery plan. With a program as large as Social Security, we need a strategic plan that adequately balances our resources and commitment to results.

Last fall, I submitted the FY 2004 Service Delivery Budget to the Office of Management and Budget based on a five-year service delivery plan. The budget has been integrated with the Agency's five-year strategic plan. The combination provides a comprehensive framework that gives employees ambitious, yet attainable, goals in all major areas of their work.

Yet our strategic plan is more than a document. It is also a dynamic process. As we continue our on-going service delivery assessment we will gain valuable information to develop new ways to manage growing workloads. We will use that information to take advantage of rapidly developing technology and an abundance of talented and innovative employees to build a Social Security Administration for the future.

Since its inception, Social Security has provided a measure of economic security and financial stability for the people of America. The programs administered by the Social Security Administration for nearly 70 years touch the lives of virtually every American. We provide service to individuals at critical junctures in their lives, whether the onset of unexpected disability, the untimely loss of a spouse or parent, the inability to meet basic needs as a senior citizen, or making the transition from work to retirement. As we face the years ahead, we will continue to fulfill our mission and to remain steadfast in our commitment to provide quality service to the public while ensuring program integrity through sound fiscal stewardship.

A handwritten signature in black ink that reads "Jo Anne B. Barnhart". The signature is written in a cursive, flowing style.

Jo Anne B. Barnhart  
Commissioner



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## Abbreviations

BCIS	Bureau of Citizenship and Immigration Services
CDR	Continuing Disability Review
CMS	Centers for Medicare and Medicaid Services
DDS	Disability Determination Services
DHHS	Department of Health and Human Services
DI	Disability Insurance
DOE	Department of Education
DOL	Department of Labor
GAO	General Accounting Office
GISRA	Government Information Security Reform Act
HI	Hospital Insurance
IRS	Internal Revenue Service
OASI	Old-Age and Survivors Insurance
OASDI	Old-Age and Survivors and Disability Insurance
OCSE	Office of Child Support Enforcement
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
PIN	Personal Identification Number
PMA	President's Management Agenda
SMI	Supplemental Medical Insurance
SSI	Supplemental Security Income
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSN	Social Security Number

## Executive Summary

This strategic plan is our blueprint for responding to the challenges we face today and in the future and for delivering results for the American people through four strategic goals.

Several external factors shaping our world present SSA with great challenges and opportunities.

- **Demographics** – Trends in population growth and composition, notably the aging of baby boomers, will profoundly affect Social Security retirement and disability programs and workloads. Trust fund surpluses will diminish and the number of beneficiaries will increase as the population ages.
- **Health and Disability Trends** – The shift away from physically demanding work, technological improvements in health care and increasing emphasis on rehabilitation initiatives will provide greater employment opportunities for people with disabilities.
- **Technological Advances** – Increased Internet usage provides the Agency with more ways to deliver services and improve productivity. New technologies raise far-reaching questions about security, safety, and privacy.
- **Workforce Trends** – An employee “retirement wave” presents SSA and the DDSs with the challenge of hiring and retaining a highly skilled and diverse workforce in an expected competitive job market.

### Strategic Goal: To deliver high-quality, citizen-centered service

Our service goal encompasses SSA's traditional and electronic services to applicants for benefits, beneficiaries and the general public, as well as services to and from States, other agencies, third parties, employers and other organizations such as financial institutions and medical providers.

Our goal supports the delivery of *citizen-centered* service and the expansion of the E-Government element of the President's Management Agenda. We aim to deliver *quality* service. The attributes of service that define *quality* include accuracy, productivity, cost, timeliness and service satisfaction.

Our strategic objectives focus on these aspects of service:

- One of SSA's highest priorities is to improve service to individuals filing disability claims and appeals. The time it now takes to process these actions is unacceptable. Delays place significant burdens on applicants and their families and an enormous drain on Agency resources.

#### Key Outcomes

- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision
- Eliminate backlogs for initial disability claims, hearings and appeals
- Increase by 50 percent from 2001 levels, the number of people with disabilities who achieve employment
- Establish with the DOL a nationwide network of employment support staff in One-Stop Centers to serve Social Security beneficiaries with disabilities
- Test the impact of early intervention and youth transition
- Substantially increase use of electronic services
- Eliminate backlogs for postentitlement work

- Currently, only 0.55 percent of DI beneficiaries work and earn enough to leave the rolls permanently, while only 0.2 percent earn enough to leave the rolls temporarily. Only 0.4 percent of SSI disabled beneficiaries earn enough to leave the SSI payment rolls. This plan focuses on significantly increasing the number of disability beneficiaries who achieve steady employment.
- Improved productivity is essential to meeting the converging workload and retirement wave challenges ahead. Technology is essential to achieving efficiencies and enabling employees to deliver the kind of service that every claimant, beneficiary and citizen needs and deserves.

### **Strategic Goal: To ensure superior stewardship of Social Security programs and resources**

Ensuring program stewardship is an inherent aspect of the Agency's responsibility to provide good service to the public. The people of America who fund the Social Security programs through payroll tax contributions and the SSI program through income tax payments expect and deserve well-managed programs. Taxpayers must be confident that their tax dollars are properly spent. Beneficiaries must know that their benefits are correctly paid.

Good stewardship also demands the effective and efficient use of the resources SSA receives to administer the programs. This goal addresses three areas of the President's Management Agenda aimed at sound financial management: Competitive Sourcing, Improved Financial Performance, and Budget and Performance Integration.

Finally, good stewardship involves more than money. It also encompasses the responsibility to ensure the security of SSA's information systems and the integrity and privacy of the personal information that SSA maintains. And it includes the obligation to make certain that our offices are safe and secure for employees and the public alike.

#### **Key Outcomes**

- Increase SSI payment accuracy to 96 percent (free of *preventable* error) and to 95 percent (free of error)
- Maintain OASDI payment accuracy at 99.8 percent
- Increase the percent of outstanding debt that is in a collection arrangement
- Remain current with DI and SSI continuing disability reviews
- Finish processing special disability cases
- Reduce the backlog of workers' compensation cases
- Ensure SSNs are only issued based on verified documents
- Remove earnings items from the suspense file and post them to the correct earnings record
- Compete or convert 50 percent of commercial positions
- Annually receive an "unqualified opinion" on SSA's financial statements with no material weaknesses reported by auditors
- Implement core functionalities of a comprehensive cost accountability system and a unified measurement system
- Increase productivity by at least 2 percent annually on average
- "Get to green" on all five President's Management Agenda items

## **Strategic Goal: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations**

With the aging of the population, the long-term solvency of current Social Security programs is unsustainable. New patterns of work and earnings, marriage, divorce and childbearing are changing the characteristics of American families. Americans are living longer and healthier lives. The Americans with Disabilities Act and medical and technological advances are altering the concept of disability. Social Security programs must respond to these developments. This goal addresses the Agency's responsibility to continually assess the programs in the context of societal trends and support reforms to ensure the programs meet the needs of today's and tomorrow's beneficiaries.

### **Key Outcome**

- Achieve reform that ensures long-term solvency

## **Strategic Goal: To strategically manage and align staff to support SSA's mission**

During this decade, SSA and DDS employees will retire in greater numbers. This retirement wave, already underway, not only will affect our ability to deliver service to the American public, but also will result in a significant drain on SSA's institutional knowledge. SSA and the State DDSs will be faced with the continuing challenge of hiring and retaining a highly skilled and diverse workforce in what is expected to be a very competitive job market.

### **Key Outcomes**

- Demonstrate an improvement in the retention rate
- Implement a new performance management system
- Ensure ongoing job enrichment opportunities and training

SSA's response to these challenges is framed by and addresses the President's Management Agenda, which directs all agencies to make government citizen-centered through the strategic management of human capital. The President has directed agencies to redistribute staff from higher-level positions to front-line service delivery, capture the knowledge and skills of retiring employees through knowledge management systems and make better use of personnel flexibilities to acquire and develop talent and leadership. As SSA deals with significant workload growth and its own increasing numbers of retirements, we will continue our efforts to recruit, develop and retain the high-performing workforce the President's initiatives envision.



## Part I: SSA's Mission, Values, Programs and Responsibilities

### SSA's Mission

*To advance the economic security of the nation's people* through compassionate and vigilant leadership in shaping and managing America's social security programs

SSA's Mission Statement explains the Agency's purpose. It provides the foundation of our response to the major challenges we face now and in the years ahead: delivering high-quality, citizen-centered service; ensuring superior stewardship of Social Security programs and resources; achieving sustainable solvency of programs that must continue to meet the nation's needs; and ensuring the Agency continues to have the best employees possible in service to the public.

### SSA's Values

#### Meeting Our Commitment to Service and Results

The nation's citizens expect SSA's employees to be *Respectful*, *Responsive* and *Reliable*. These Values describe employee actions in service to the public and each other.

- *Respectful* –SSA employees believe in treating people with equal regard, dignity, courtesy and compassion. We respect diversity among ourselves and among those we serve. We remember that each of us is responsible for fostering the positive environment that makes SSA a good place to work.
- *Responsive* –SSA employees know that listening carefully and acting on what we hear is the cornerstone to good service. In a rapidly changing world, we embrace change. We believe in keeping the public informed, investing in continuous learning, and breaking barriers to citizen-centered service wherever they exist.
- *Reliable* –SSA employees are proud stewards of the public trust. Citizens can count on us to meet our commitments, to act with integrity, to work efficiently and effectively and to ensure quality in all our endeavors.

## SSA's Programs and Responsibilities

SSA promotes the nation's economic security by administering America's major income support programs for the elderly, disabled, and their dependents:

- Old-Age and Survivors Insurance;
- Disability Insurance; and
- Supplemental Security Income.

The programs administered by the Social Security Administration touch the lives of over 95 percent of all Americans. We provide service to individuals at critical junctures in their lives, be it the onset of an unexpected disability, the untimely loss of a spouse or a parent, the inability to meet basic needs as a senior citizen, or exiting the workforce due to retirement.

The combined OASDI programs, commonly referred to as Social Security, have significantly improved the economic well being of the nation. Poverty among the elderly has been reduced by 54 percent over the past 30 years. In 1936, when Social Security numbers were first assigned to workers, most of the nation's elderly were living in poverty. Today, monthly Social Security benefits are an important contributor to the quality of life of elderly Americans and millions more who are protected in case of a worker's death or disability.

The SSI program, which is funded through general revenues, provides cash assistance to financially needy individuals who are aged, blind or disabled. SSA also provides service delivery support to the Medicare, Medicaid, Black Lung, Railroad Retirement and Food Stamp programs.

SSA makes federal benefit payments each month to more than 50 million people. In addition to providing monthly benefit payments, SSA's ongoing operational responsibilities include:

- Taking applications for and issuing Social Security numbers after obtaining and evaluating evidence of identity;
- Processing and maintaining life-long earnings records for most of the working population;
- Issuing Social Security Statements required by law or requested by individuals;
- Taking claims, evaluating evidence, and making determinations of eligibility for monthly benefits;
- Adjudicating appeals of disputed decisions;
- Processing millions of actions to keep beneficiary records current and accurate;
- Conducting continuing eligibility reviews to avoid erroneous payments to Social Security and SSI beneficiaries if factors affecting their eligibility or monthly benefit amount have changed; and
- Managing the Ticket to Work program to help disability beneficiaries achieve self-sufficiency.

## Our Organization

The Social Security Administration's organization is centrally managed with a decentralized nationwide network of over 1,500 Regional Offices, Teleservice Centers (800-Number), Program Service Centers and Hearings Offices. Our organizational structure is designed to provide timely, accurate and responsive service to the American public. By integrating support services for all of our programs, we enhance efficiency, avoid duplication of effort and increase opportunities to provide one-stop service to the public.

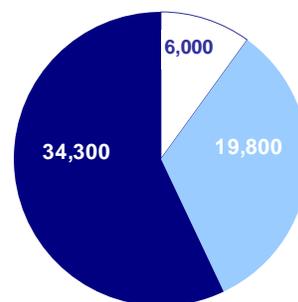
Field Offices are the primary points for face-to-face contact with the public. Teleservice Centers offer national toll-free telephone service (at 1-800-772-1213). Our Program Service Centers process a wide variety of workloads, as well as take 800-Number calls. The Office of Central Operations, which includes the Data Operations Center, processes a wide variety of workloads involving disability, international and earnings operations and also has an expanding role in taking 800-Number calls. The Hearing Offices and Appeals Council adjudicate appeals of SSA determinations in claims for benefits.

About 60,000 of SSA's 64,400 employees deliver direct service to the public or directly support the services provided by our front-line workers (see chart below). The public is most familiar with our 34,300 employees in Field Offices and Teleservice Centers, but they are also directly served by another 19,800 employees in the components described above, as well as the Office of Quality Assurance and Performance Assessment. Another 6,000 SSA employees in headquarters and regional offices directly support the services delivered by our front-line workers. These include the employees who build and maintain our expanding Internet services.

SSA's remaining employees perform equally important functions in developing other information technology and public information products, ensuring sound fiscal stewardship, developing and implementing uniform program policy and procedures, and supporting our workforce by providing, maintaining and safeguarding our work spaces. The State DDSs, funded by SSA, add another 15,000 front-line employees, such as disability examiners, to the total workforce providing direct

service to the public. Whether in SSA or a DDS, each and every employee in front-line and staff positions plays an important role in the success of the nation's Social Security programs.

**60,000 SSA Employees in Direct Services and Direct Service Support**



- HQ and RO employees in direct support of front line
- PSC, DOC, OCO, HO and AC employees
- Field Office and Teleservice Center employees



## Part II: Environmental Factors

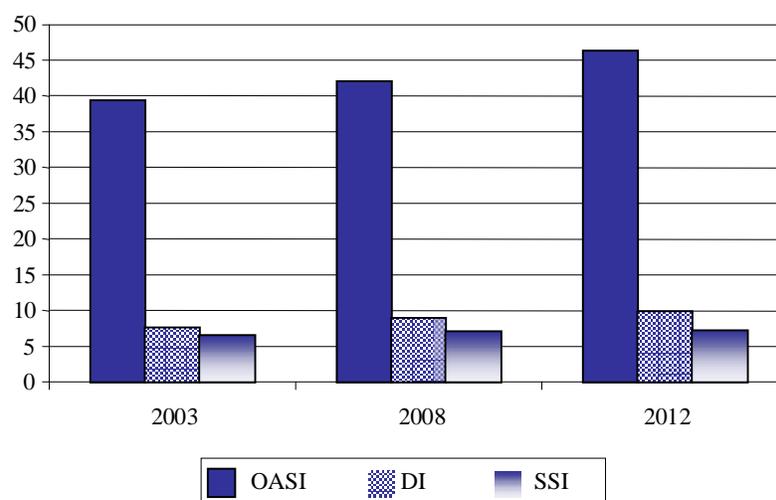
In mapping our plans for the next several years, SSA examined external and internal factors that will shape the world in which we will exist. Among an array of environmental factors that are relevant to SSA's mission and strategic goals, four dominant factors emerge as driving forces: demographics, health and disability trends, technological advances and workforce trends.

### Demographics

The effect of the "baby boom" population on the Social Security trust funds has been well documented, and it remains one of the critical factors in our future planning. As the population ages and the ratio of workers to beneficiaries decreases, trust fund surpluses will vanish. Today, about 3.3 people pay in to Social Security for every person receiving benefits. According to the 2003 Annual Report of the OASDI Trustees, by 2030 the ratio is projected to decline to about 2.2 to 1. As a result, with currently scheduled taxes and benefits, Social Security will face large and growing deficits.

With the aging of the baby boomers, an increasing number of people will enter their most disability-prone years and begin to retire during the next ten years. By the end of 2012, these demographic changes will result in DI rolls that are 35 percent higher than today's levels. Over that same time period, OASI beneficiaries will increase by 18 percent, and SSI beneficiaries will increase by 12 percent. As a result, there will be great pressure to accomplish our work more efficiently.

**Beneficiaries in payment status, at end of calendar years 2003  
(in millions)**



## Health and Disability Trends

In many respects, the quality of life for Americans has dramatically improved over the years. Americans are living longer today, with an average life expectancy now up to 77 years. By 2030, average life expectancy is projected to increase to 80 years. In general, the health of the population is better than it has ever been, and people who are healthier tend to work longer.

Notwithstanding improvements in the health of the general population, the number of disability beneficiaries has increased over the past 10 years and the incidence and prevalence of disability is projected to continue to grow. Shifting employment away from physically demanding work, technological improvements in health care and increasing emphasis on rehabilitation initiatives will provide greater employment opportunities for people with disabilities.

## Technological Advances

Increased Internet usage is providing the Agency with more ways to deliver services and improve productivity. The Internet is already altering the way the public interacts with SSA, making it easier for them to get information and assistance, identify and obtain services, file applications, and conduct other transactions. By 2007, Internet access will rival that of cable and satellite television. More than 75 percent of U.S. households are expected to have Internet access, up from 58 percent in 2001. The number of individual online users in the U.S. is projected to grow from 50 percent in 2001 to 73 percent in 2007.

Technological advances are providing employers and organizations in both the public and private sector the means to do business with SSA electronically. Information technology will continue to transform the way that SSA does business internally by providing efficient and responsive systems to support administrative tasks, improve communications and process work.

The increased use of new technologies provides significant benefits but also raises far-reaching questions about its effect on security, safety, and privacy. The widespread interconnectivity of computer systems creates new vulnerabilities for the critical operations and infrastructures they support. SSA will need to maintain its vigilance in identifying vulnerabilities and safeguarding its information technology systems against potential intrusions.

## Workforce Trends

Like the baby boomers in the general workforce, SSA and DDS employees will begin to retire in greater numbers. SSA estimates that during this decade over 28,000 of its federal employees will retire and another 10,000 will leave the Agency for other reasons. This is approximately 59 percent of the current workforce. This "retirement wave" will affect our ability to deliver service to the American public. It will also result in a significant drain in SSA's institutional knowledge.

The annual rate of growth in the size of the labor force is projected to decline from 1.1 percent during the 1990s to an average of 0.9 percent over the next decade. With the slowing growth in the labor force, SSA and the DDSs will be faced with the challenge of hiring and retaining a highly skilled and diverse workforce in a very competitive job market. To be successful in attracting employees, employers will need to consider the differing generational expectations of the future workforce, in areas such as career development, job and organizational loyalties, lifestyle values, communication, and problem solving styles. The future employers of choice will likely be those who offer flexible benefits and working arrangements, as well as training and professional development opportunities. SSA must continue to build upon its excellent record in strategic workforce planning to ensure it maintains the quality staff needed to carry out the Agency's mission.



## Part III. Strategic Goals and Objectives

### Introduction

Today, SSA faces great challenges: giving the American people the service they expect and deserve, particularly as the number of beneficiaries increases each year with the aging of the baby boomers; improving program integrity through sound fiscal stewardship; ensuring the program's solvency for future generations; and maintaining the quality staff SSA needs to meet these challenges. Our strategic goals—Service, Stewardship, Solvency and Staff—directly address these challenges.

Our four strategic goals are comprehensive. They link directly to our total resource needs and provide employees direction in all major areas of their work. Our nine supporting strategic objectives, reduced from over 20 objectives in prior strategic plans, focus on key areas of strategic importance or those needing improvement. The indicators SSA will use to gauge progress towards our objectives in annual performance plans also focus on these priority areas. However, we will continue to internally track other areas of performance to ensure balance among competing workloads. We will be vigilant in maintaining and improving our performance in all workloads.

In determining our strategic goals and objectives, we used numerous internal and external evaluations, many of which are highlighted in the issues section under each objective. We looked at information from our ongoing service satisfaction surveys and quality assurance reviews as well as many other internal studies of targeted areas.

SSA is conducting a service delivery assessment, examining current business processes and times, and identifying improvements needed to meet each of SSA's operational responsibilities. The service delivery assessment will examine all SSA programs and processes with fresh eyes, drawing on the expertise from staff in the field as well as in headquarters. We began the service delivery assessment with a focus on the processing of claims for Social Security Disability Insurance and Supplemental Security Income disability benefits. The assessment results to date were fundamental to development of SSA's multi-year service delivery plan, as well as this plan.

We also considered various GAO reports and OIG audits on areas identified as the Agency's major management challenges, reports by the Social Security Advisory Board on the challenges facing SSA, and the concerns of the Congress raised in hearings.

A key force in shaping our strategic direction is the President's Management Agenda (PMA). The PMA identifies five government-wide initiatives intended to work together as a mutually reinforcing set of reforms to improve federal management and deliver results that matter to the American people. These five initiatives—Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government and Budget and Performance Integration—are interwoven into the means and strategies for achieving our strategic objectives.

The section that follows conveys the performance issues the Agency faces, identifies the specific outcomes we aim to achieve and describes our means and strategies for achieving them. To provide further context for decisions on needed improvements outlined in this plan, SSA has developed a service delivery plan that identifies the workload production goals over the next five years to accomplish our strategic goals and objectives.

## **Strategic Goal: To deliver high-quality, citizen centered service**

Our service goal encompasses SSA's traditional (in-person, telephone) and electronic services to applicants for benefits, beneficiaries and the general public, as well as services to and from States, other agencies, third parties, employers and other organizations such as financial institutions and medical providers. This goal addresses the full meaning of the term "citizen-centered" service and the full scope of the "Expanding E-Government" item in the President's Management Agenda. That is:

- Making it simpler to receive quality service regardless of contact mode;
- Providing a choice of ways to access service;
- Increasing collaboration among agencies to provide more transparent government;
- Making it easier for business to comply with reporting responsibilities; and
- Sharing information more quickly and conveniently between federal agencies and States.

This goal covers all attributes of service that define "quality" as a balance of accuracy, productivity, cost, timeliness and service satisfaction. The creation of a new Office of Quality Management, within the Office of the Chief Strategic Officer, signals the Agency's overarching commitment to quality. We are working to build an in-line quality system for all the Agency's business processes including disability.

Our strategic objectives focus on disability processes and on improving service through technology. To ensure that high levels of performance continue in other areas, we will also continue to closely monitor overall public satisfaction with our service and our performance in the areas of retirement and survivors claims, SSI aged claims and both pre-claim and postentitlement actions.

SSA's strategic objectives for this goal are to:

- Make the right decision in the disability process as early as possible;
- Increase employment for people with disabilities; and
- Improve service through technology.

### **Strategic Objective: Make the right decision in the disability process as early as possible**

#### **Issues**

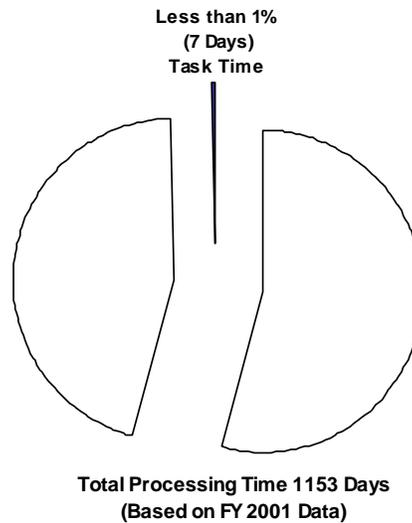
One of SSA's highest priorities is to improve service to the public in the disability programs from the initial claim through the final administrative appeal. Each Social Security and Supplemental Security Income disability claim represents a person and often a family. The length of time it takes to process these claims is unacceptable. It places a significant financial and emotional burden on applicants and their families. It also leads to recontacts and rehandling, placing an enormous drain on Agency resources.

According to our service delivery assessment of the disability process, persons pursuing their disability claims through all levels of Agency appeal wait an average of 1,153 days for that final decision. Due to backlogs, cases that go through all levels of appeal spend nearly 50 percent of the

time (525 days) "in queue," waiting for SSA action. A variety of factors account for the remaining delay time (621 days), including factors outside of SSA's control such as time periods afforded claimants to request the next step in due process (more than 200 days). Actual hands-on or task time takes only seven days, less than one percent of the elapsed time.

The most significant external factor affecting SSA's ability to improve service to disability applicants is the dramatic growth of workloads. Ongoing application receipts are rising. They will continue to rise as the baby boomers enter their disability-prone and then retirement years. Furthermore, an unexpected near-term surge in disability claims receipts is adding to the problem. With DI rolls projected to grow 35 percent in the ten years ending 2012, SSA cannot keep doing things the same way. We are responding directly to the challenge.

### Disability Processing Time Through the Appeals Council From the Claimant's Perspective



## Means and Strategies

There is no one solution to making the disability decision process faster and better. More efficient processing will require many improvements – some large, some small – to achieve SSA's service goal. Recent and current initiatives include introduction of an Internet Social Security disability application, issuance of proposed rules that update the medical listings, updating vocational policy to reflect market changes (including development of new, reliable sources of occupational data to replace the Dictionary of Occupational Titles), and improving training of disability examiners. We have also implemented a number of short-term initiatives to improve service in the hearings process.

### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress towards achieving the following key outcomes:

- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision; and
- Eliminate backlogs for initial disability claims, hearings and appeals by 2008.

SSA's near-term efforts to substantially reduce processing times, improve the process for both claimants and employees, and increase efficiency include:

- *Eliminating Backlogs:* Elimination of backlogs is a prerequisite to reducing processing time. SSA's service delivery plan does that over a 5-year period.
- *Accelerating the Electronic Disability Initiative (AeDib):* To reduce delays inherent in mailing, locating and organizing paper folders, SSA is accelerating its transition to an electronic disability folder through the AeDib Agency initiative. Rollout begins in January 2004, with full implementation 15-18 months later. Components will then be able to work claims by electronically accessing and retrieving information that is collected, produced and stored as part of an electronic disability

folder. A significant change in and of itself, AeDib will also enable other major business process changes to improve service, efficiency and accuracy.

- *Improving the Initial Disability Determination Process:* SSA is considering the implementation of tested initiatives that show the most promise, including:
  - Expanding the authority for State DDS examiners nationwide; and
  - Encouraging early and frequent contacts with claimants during the development process.
- *Improving the Appeals Process:*
  - Include Administrative Law Judges in early case screening to more quickly identify cases for dismissal and on-the-record decisions;
  - End the requirement that cases be certified “ready-to-hear”;
  - Expand the use of technology in the Office of Hearings and Appeals, including video teleconferencing, speech recognition and digital recording of hearings;
  - Issue decisions from the bench; and
  - Contract out file assembly.

These are just the first steps that SSA will take to meet the challenge of providing a timely, efficient and quality disability process. As a part of the service delivery assessment, SSA has compiled a range of ideas and recommendations on potential improvements to the disability process from a variety of sources. These are being evaluated for possible implementation.

## **Strategic Objective: Increase employment for people with disabilities**

### **Issues**

The Social Security Administration is responsible for the nation's two major federal disability programs, Disability Insurance and Supplemental Security Income. We recognize that many people with disabilities want to be employed, educated and fully participating citizens—and, we are working to ensure that these goals become reality for more people. Currently, only 0.55 percent of all DI beneficiaries work and earn enough to leave the disability rolls permanently (benefit termination), while only 0.2 percent work and earn enough to leave the rolls temporarily (benefit suspension). Only 0.4 percent of SSI disabled beneficiaries earn enough to leave the SSI payment rolls. We are dedicated to significantly increasing the number of DI and SSI beneficiaries who achieve employment.

Two federal laws enacted in recent years reinforce the fact that people with disabilities have the ability and the right to work. The Americans with Disabilities Act, passed in 1990, supports this right. The Ticket to Work and Work Incentives Improvement Act of 1999 increases beneficiaries' access to employment and support services. Under this law, SSA has a major role in bringing beneficiaries and these services together.

### **Means and Strategies**

SSA is working to ensure that all Americans have the opportunity to learn and develop skills, engage in productive work, make choices about their daily lives and participate fully in community life. Our strategies, which directly support the President's New Freedom Initiative, include:

- Through the Ticket to Work program, which was launched in February 2002 and will be available nationwide by January 2004, we are providing beneficiaries with more choices and expanded opportunities to help them go to work. The Ticket program allows beneficiaries to select the service providers of their choice including vocational rehabilitation, job training and other community-based support services. The program also includes expanded health care coverage - a critical feature since the loss of health care has been a significant disincentive for people with disabilities to return to work.
- As an offshoot of the Ticket to Work, we worked with the DOL to develop a new service to help employers locate and recruit skilled job candidates with disabilities. This service, "Ticket to Hire" is a free, national referral service for employers to recruit workers from the Ticket to Work program.
- SSA and the DOL are funding a two-year demonstration project to establish specialists, called Disability Program Navigators, to serve as a resource to and advocate for people with disabilities who seek training and employment opportunities. Working in DOL's One-Stop Career Centers, Navigators will link people with disabilities, including Social Security DI and SSI beneficiaries, with employers and with benefit planning, assistance and outreach organizations. Navigators will have expertise regarding Social Security employment support programs, work incentives, and Ticket to Work. They will facilitate other SSA demonstration projects focused on improving employment opportunities for persons with disabilities.
- SSA has a major initiative underway to convert its paper-driven disability claims system into an electronic format. SSA will look for opportunities for Social Security beneficiaries with disabilities to participate in this work, thus maximizing their economic self-sufficiency.
- SSA's multifaceted approach to helping beneficiaries with disabilities obtain accurate and timely information regarding work includes the planned creation of a Work Incentive Specialist corps. Certain SSA field employees, to be designated as Work Incentive Specialists, will provide technical information and assistance to both beneficiaries and outside groups. At the same time, we plan to provide a customized training curriculum targeted to each employee's role in administering employment support programs. In addition, we are developing new systems to help us associate reported wages with a beneficiary's disability record in a more timely fashion.
- We are working on the following disability program initiatives to test the impact of early intervention and youth transition—these initiatives may lead to program changes, depending on the outcome of the demonstrations:
  - *Early Intervention:* Many experts believe that providing intervention methods to individuals with disabilities as close to the disability onset as possible significantly improves their chance

#### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress towards the following key outcomes:

- By 2008, increase by 50 percent from 2001 levels the number of DI and SSI disability beneficiaries who achieve employment;
- Establish with the DOL a nationwide network of employment support staff in One-Stop Centers to serve Social Security beneficiaries with disabilities; and
- Test the impact of early intervention and youth transition.

of returning to work. SSA, in collaboration with the Disability Research Institute, is developing a demonstration project that will test a variety of interventions such as early medical insurance, employment supports, etc., for the first time on DI applicants. The goal of the project is to assist persons with disabilities in returning to work as soon as possible rather than transitioning to long-term dependency on the DI rolls.

- *Youth employment:* Many children receiving Supplemental Security Income stay on the rolls for life, and many lose benefits at the required age-18 medical redetermination without any supports for becoming self-sufficient. In addition, a significant number come onto the SSI rolls at age 18 when their parents' income no longer counts towards eligibility. We are developing a youth demonstration project that would test interventions to support the transition of young SSI beneficiaries to adulthood through higher education or employment supports. The goal is to help SSI youth maximize their economic self-sufficiency.

## **Strategic Objective: Improve service through technology**

### **Issues**

Improved productivity is essential to meeting the challenges ahead. The Social Security Advisory Board has noted that the combination of dramatic workload growth and SSA's employee retirement wave "will place extraordinary pressures on the Agency to meet the public's need for service." In the face of these challenges, technology is essential to achieving efficiencies and enabling employees to deliver the kind of service that every claimant, beneficiary and citizen needs and deserves.

SSA recognizes the imperative to move forward in providing citizen-centered electronic governmental services. GAO has observed SSA's "substantial progress in modernizing workstations and local area networks to support its work processes," and has approvingly commented that SSA "has clearly defined its business process needs and linked information technology projects to its strategic objectives." Furthermore, as the President's FY 2003 Budget chapter on SSA notes, "SSA has taken constructive steps in the last 2 years by rapidly expanding online customer service options. These include retirement claims, Medicare replacement cards, online account status, access to change one's address and telephone number, and direct deposit."

SSA continues to develop and offer new Internet services on a regular basis. Visits to SSA's website rose to over 28 million during FY 2001, an increase of 115 percent over FY 2000. Visits during FY 2002 climbed to almost 40 million, 40 percent higher than in FY 2001. SSA will encourage usage by enhancing our current applications and continuing to develop additional informational and transactional offerings.

Our current beneficiary populations are significantly less likely to use the Internet than their children will be. GAO points out that SSA "must effectively address dual modes of service delivery" — its traditional services via telephone, face-to-face, and mail contacts... as well as a more interactive, on-line, Web-based environment...."

Systems security poses a special challenge. SSA will maintain its excellent track record of safeguards as it encourages increased citizen use of SSA's Internet and Web-based services.

## Means and Strategies

In moving into the Internet world, SSA's initial focus was to provide information online. Information continues to be a major strength of the website and the Internet has proven to be an effective vehicle for the timely and efficient dissemination of Social Security information. To meet increasing public demands, we have also aggressively pursued a portfolio of services that enable online transactions. While continuing to add services, we are focusing more on increasing the public's usage of these transactional services. For this reason, we plan enhancements promoting ease of use. For citizens, this will mean greater convenience and access. For SSA, this translates into more efficient and effective public service.

### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress towards achieving the following key outcomes:

- Substantially increase use of electronic services; and
- Eliminate backlogs for postentitlement work by 2008.

Expansion and improvement of SSA's web-based services will positively affect other services and operations:

- Callers to SSA's National 800-Number will benefit. Currently, automated information services are available via the 800-Number 24 hours a day, 7 days a week. Already, some callers can access their Social Security records information using PIN and password. SSA's shift to transactional technology will further improve 800-Number service.
- Employees will benefit. Expansion of SSA's Intranet to provide easier access to information will reduce the need for paper communications and the time it takes for employees to find needed information.

SSA will intensify its technology research and development activities through a cross-component process, which focuses technological research and development on areas deemed most critical in meeting the Agency's service objectives. We will move these critical technologies forward through all stages, from focused research to non-production testing (development) to production testing (pilot) to implementation.

SSA will continue to give high priority to projects that promise large productivity increases and support the President's government-wide e-Government initiative. Our initiatives include:

#### *E-Government-to-citizen –*

- Redesigning the SSA Internet website to make it easier for individuals and organizations to get the services they need;
- Expanding/increasing self-service through user-friendly electronic service delivery options, featuring secure and friendly authentication services and real-time customer support;
- Integrating the various ways (in-person, telephone, Internet) the public can access our services so they can switch from one "channel" to another. To this end, we are piloting new technologies to transform the 800-Number network into a network of Multimedia Contact Centers providing a full range of electronic channels and Internet inquiries;
- Accelerating eDib, including storage/retrieval of disability records using electronic folders;
- Developing electronic services for post-entitlement actions such as continuing disability reviews;

- Improving hearings process productivity through expanded Video Conferencing, digital recording of hearings, and application of speech recognition software for dictating decisions;
- Improving policies/systems processes to allow employees to work more cases to completion without the need for handoffs; and
- Improving explanations and tutorials to reduce recontacts.

*E-Government-to-business –*

- Increasing electronic wage reporting to reduce earnings discrepancies and make it easier for business to comply with reporting responsibilities;
- Allowing electronic verification of accuracy of employees' name/SSN; and
- Building a web presence that supports e-procurement and e-grants through Agency participation in government-wide e-Gov Quicksilver and other initiatives.

*E-Government-to-government –*

- Implementing "eVital." SSA has a lead responsibility for this cross-government Quicksilver initiative to establish timely electronic access and/or transmittal of birth and death records among State and federal users;
- Providing key support in over half of the 24 Quicksilver initiatives, including eAuthentication;
- Actively collaborating with other federal agencies serving our beneficiary population (such as CMS and the Railroad Retirement Board) to promote electronic services; and
- Supporting implementation of the Government Paperwork Elimination Act.

## **Strategic Goal: To ensure superior stewardship of Social Security programs and resources**

Ensuring program stewardship is an inherent aspect of the Agency's responsibility to provide good service to the public. The people of America who fund the Social Security programs through payroll tax contributions and the SSI program through income tax payments expect and deserve well-managed programs. Taxpayers must be confident that their tax dollars are properly spent. Beneficiaries must know that their benefits are correctly paid.

Good stewardship also demands the effective and efficient use of the resources SSA receives to administer the programs. This goal addresses three areas of the President's Management Agenda aimed at sound financial management: Competitive Sourcing, Improved Financial Performance, and Budget and Performance Integration.

Finally, good stewardship involves more than money. It also encompasses the responsibility to ensure the security of SSA's information systems and the integrity and privacy of the personal information that SSA maintains. And it includes the obligation to make certain that our offices are safe and secure for employees and the public alike.

SSA's strategic objectives for this goal are to:

- Prevent fraudulent and erroneous payments and improve debt management;
- Increase the accuracy of earnings records;
- Strengthen the integrity of the SSN; and
- Efficiently manage Agency finances and assets and effectively link resources to performance outcomes.

### **Strategic Objective: Prevent fraudulent and erroneous payments and improve debt management**

#### **Issues**

The President's Management Agenda initiative on Improved Financial Performance directs agencies to "establish a baseline of the extent of erroneous payment and goals to reduce erroneous payments for each program." From SSA's own analysis, as well as assessments by the OIG, the Social Security Advisory Board and the GAO, several major areas susceptible to erroneous or fraudulent payments have been identified.

In January 2003, GAO removed the SSI program from its high-risk list of government programs considered especially vulnerable to waste, fraud or abuse. In doing so, GAO recognized SSA's efforts to improve the management of the program. The Agency has developed a Corrective Action Plan and has implemented many initiatives over the last few years to prevent and detect SSI overpayments. In general, the initiatives have proven to be highly successful. The Office of Child Support Enforcement wage alerts have been primarily effective in detections. High error-prone profile redeterminations have been effective in detection, prevention and collection. Building upon that success, SSA will implement additional initiatives designed to improve prevention and detection of overpayments as discussed under the "Means and Strategies" section below.

Overall, SSA achieves a high level of accuracy in OASDI payments with 99.8 percent of OASDI payments free of error. We have pinpointed two areas of inaccuracy that have created a backlog of cases requiring corrective action. SSA identified a number of SSI beneficiaries who have earned sufficient work credits to qualify for benefits under the DI program. Although we have taken the appropriate steps to keep this from happening in the future, there remains an enormous backlog, 467,000 cases, we must review to ensure these individuals receive all the benefits due them. The Agency also identified a number of DI beneficiaries whose workers' compensation payments changed, but their DI benefits were not adjusted accordingly. Since the amount of workers' compensation can affect the amount of DI benefits paid, these cases must be reviewed to verify the amount of workers' compensation payments and correct the DI payments, as appropriate.

SSA appoints representative payees for individuals who are incapable of directing or managing their benefits. Each representative payee, whether an individual who represents only one beneficiary or an organization that represents hundreds, is required to account for the benefits received for each beneficiary and how they were spent. In light of intense congressional, media, OIG and advocate scrutiny, and based on an in-depth Agency analysis, SSA is reexamining the operations of the representative payee program.

The most significant issue affecting our ability to improve payment accuracy is adequate funding. Unlike a corporation, SSA does not have a single "bottom line." SSA's administrative budget funds the competing demands of both service and stewardship. Currently it is difficult to ensure adequate funding for stewardship activities when they compete with service delivery for the same discretionary dollars. We know that program integrity efforts such as continuing disability reviews and SSI redeterminations pay for themselves many times over. Given the significant return delivered by these investments, SSA promised the establishment of earmarked funds for program integrity initiatives in its Service Delivery Budget and these funds are included in the FY 2004 President's Budget.

## Means and Strategies

The companion document to this strategic plan, the FY 2004 President's Budget, outlines the financial means for SSA to meet both the Agency's stewardship responsibilities and overall service demands. It includes earmarked funding to enable the Agency to implement program integrity initiatives (i.e., SSI redeterminations, continuing disability reviews, and detecting and collecting overpayments) that will pay for themselves. The resource needs identified in the FY 2004 President's Budget, including dedicated program integrity funding, will allow SSA to:

- Continue processing continuing disability reviews to ensure that only those people who continue to meet the disability requirements remain on the disability rolls;

### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress towards achieving the following key outcomes:

- Increase SSI payment accuracy to 96 percent (free of *preventable* error) and to 95 percent (free of error) by 2008;
- Maintain OASDI payment accuracy at 99.8 percent;
- Increase the percent of outstanding debt that is in a collection arrangement;
- Remain current with DI and SSI continuing disability reviews (if dedicated funding is available);
- Finish processing special disability cases; and
- Reduce the backlog of workers' compensation cases.

- Continue to conduct significant numbers of SSI redeterminations, periodic reviews of the income and resources affecting SSI eligibility and payment amounts, to reduce erroneous SSI payments; and
- Process the backlog of special disability and workers' compensation cases.

SSA is not solely relying on an infusion of resources to meet its stewardship obligations. Key strategies aimed at changing our processes and policies to improve payment accuracy are:

- Continue implementation of the Agency's SSI Corrective Action Plan issued in June 2002. The plan outlines initiatives designed to improve the integrity of the SSI program across three fronts:
  - Preventing overpayments by testing and implementing, as appropriate, automated means for beneficiaries to report income to SSA and electronic means for SSA to access records of financial institutions, credit bureaus and other public databases to detect unreported income and resources;
  - Increasing detection of erroneous payments by moving to electronic verification and exchanges of information in partnership with federal and State agencies. "E-Vital," a government-wide initiative led by SSA, includes two key projects – Electronic Verification of Vital Events and Electronic Death Registration – to automate exchanges of vital statistics data; and
  - Increasing collection of debt by fully implementing all collection tools available under existing law, including mandatory cross program recovery, credit bureau referrals and administrative offset and administrative wage garnishment.
- Develop legislative proposals to simplify the SSI program to make reporting requirements less burdensome to beneficiaries and less costly for SSA to administer; and
- Develop new systems to help us associate reported wages with a beneficiary's disability record in a timely fashion.

## ***Strategic Objective: Strengthen the integrity of the Social Security Number***

### **Issues**

The original purpose of the SSN was to enable SSA to keep an accurate record of earnings covered under Social Security and to pay benefits based on those earnings. Over time, use of the SSN as a convenient means of record keeping has grown, not as a result of one single step, but from a gradual extension for a wide variety of purposes. As a result, the SSN has become a primary means of identification in both the public and private sectors.

As use of the SSN has grown, so has identity fraud, leading the Social Security Advisory Board, the GAO and SSA's Inspector General all to identify SSN misuse and identity fraud as a significant management issue. The tragic events of September 11, 2001 have further heightened the awareness of the need to strengthen safeguards to protect against misuse of the SSN.

Identity fraud takes several forms. One type of identity fraud is identity theft, which involves using the SSN or other personal identifying information of another person to "become" that person. Another type of identity fraud involves the creation of a false identity through the use of counterfeit

SSNs and other false documents for purposes of establishing identity for employment and other benefits.

Most instances of identity fraud result not from any action or failure to act by SSA, but from the proliferation of personal information in our society. Recognizing this fact, the GAO has recently recommended to the Congress that a unified approach involving intergovernmental collaboration is required to safeguard the SSN whenever used in all levels of government and particularly those displayed in public records. Many institutions besides SSA have a role in combating identity fraud, including the Federal Trade Commission and the Department of Homeland Security. SSA must do its part by strengthening its capability to prevent those with criminal intent from obtaining and using SSNs and Social Security cards.

## Means and Strategies

SSA is strengthening the SSN application process to respond to issues highlighted by the terrorists attacks on September 11, 2001, and to deal with the problem of identity fraud. These changes include:

- Verifying with custodians the records of any birth certificates submitted by U.S.-born citizens age one or older applying for an SSN; and
- Verifying all alien documentation submitted by non-citizens in support of applications for an original or replacement SSN card.

### Key Outcome

Success in meeting this objective will be measured in our annual performance plans by our progress towards achieving the following key outcome:

- Ensure SSNs are only issued based on verified documents.

Our continuing strategy will build upon these efforts to ensure the Agency issues SSNs only to those individuals with valid identity documents. It entails:

- Eliminating drivers' licenses as a valid reason for issuing a non-work SSN;
- Decreasing reliance on applicant-submitted evidence through Enumeration-at-Entry, a process whereby SSA will assign SSNs to new arrivals based on data collected by the Department of State and the Bureau of Citizenship and Immigration Services (BCIS), formerly the Immigration and Naturalization Service, at the time right-of-entry into the U.S. is authorized. SSA will receive the data electronically from BCIS with no need for further document review and verification;
- Limiting the number of replacement Social Security cards issued to each individual;
- Tightening up other evidentiary requirements through regulatory changes to require mandatory interviews for all applicants age 12 or older and evidence of identity for all applicants, regardless of age;
- Making better use of the information in automated systems to detect potential fraud;
- Testing the effectiveness of Social Security Card Centers, such as the one in Brooklyn, New York – the purpose being to improve and expedite the document verification process; and
- Collaborating with Homeland Security to achieve improved SSN integrity.

SSA also is investigating additional measures to strengthen the integrity of the SSN such as including additional, more robust, security features in the Social Security card itself.

## **Strategic Objective: Increase the accuracy of earnings records**

### **Issues**

The accuracy of the earnings records that SSA maintains is critically important to workers. SSA uses these records to determine whether an individual has earned enough wage credits to be eligible for benefits and the amount that will be paid. Despite the Agency's good record in accurately posting earnings – 99 percent of earnings are assigned correctly to individual workers' records – the amount of earnings each year that cannot be assigned to an individual's work record has been growing in recent years and is of concern to the Agency. As a result, SSA's Office of the Inspector General has designated the integrity of the earnings reporting process as a significant management issue.

The information that SSA uses to credit earnings to a record comes from over 250 million reports submitted annually by employers. About 8 million records annually cannot be matched to an individual's record due to an invalid name/SSN combination. SSA maintains information on these earnings in a file called the "suspense file" for potential future reconciliation. There are various reasons why the name/SSN reported by employers do not match the name/SSN on SSA's records. Some are due simply to mistakes or clerical errors (e.g., transposition of numbers in the SSN). Other factors may also contribute to SSA's inability to match the report to our records including the following: the worker uses a different name at work than is shown on our records; issues related to a multicultural society where the name used may be different than originally provided at enumeration; the transient nature of some occupations such as the agriculture and service industries; and undocumented aliens.

While SSA has limited control over the factors causing incorrect wage reports, the Agency is doing what it can to provide employers tools for improving the accuracy of wage reports. SSA also is undertaking an educational campaign to inform the wage reporting community of the various tools available. However, use of the tools by employers remains voluntary.

### **Means and Strategies**

Strategies for achieving our key outcomes of reducing the size and growth of the suspense file include:

- Employing new software routines that enable matching greater numbers of suspense file items to the correct earnings record;
- Notifying employees and employers submitting large numbers of incorrect wage reports of name/SSN discrepancies and requesting corrections; and
- Collaborating with IRS to achieve more accurate wage reporting.

In addition, we are undertaking the following efforts to help prevent inaccurate earnings reports:

- Increasing use of electronic filing by employers;
- Providing online filing status and error information;
- Encouraging greater use of SSN verification services that allow employers to verify online a valid name/SSN combination; and
- Undertaking an aggressive educational campaign to inform the wage reporting community of the various verification tools and error detection utilities available to them.

#### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress toward achieving the following key outcomes:

- By 2005, remove at least 30 million items from the suspense file and post them to the correct earnings record; and
- Beginning with 2005, remove 5 percent of the earnings items added to the suspense file each year and post them to the correct earnings record.

SSA is currently gathering and analyzing baseline information concerning the impact of these initiatives on the accuracy and growth of the earnings suspense file. Based on this analysis, SSA will continue to examine its key outcomes and strengthen its performance measures accordingly.

### **Strategic Objective: Efficiently manage Agency finances and assets and effectively link resources to performance outcomes**

#### Issues

Our plans must be shaped by the requirements of tomorrow as well as the realities of today. We must find ways to achieve efficiencies that will help to offset the costs of keeping up with the unprecedented workload growth SSA will face with the aging of the baby boomers.

Recognizing the importance of good management to the efficient and economic delivery of desired results, the President's Management Agenda identifies five government-wide initiatives intended to work together as a mutually reinforcing set of management reforms. The Administration uses a scorecard of red (unsatisfactory), yellow (mixed results—achieved some but not all of the criteria) and green (success) to rate agencies on the status and progress of each initiative. In the PMA scorecard issued in December 2002, SSA's status and progress in implementing the initiatives was recognized with one of the best evaluations overall, as compared with other departments and major agencies. OMB has specified areas that SSA must further address to fully succeed in achieving the President's agenda.

The President's Management Agenda initiatives are addressed as follows:

Issues surrounding the *Human Capital* initiative (Status:Yellow, Progress: Green) are addressed as a part of our Staff goal.

*Competitive Sourcing* (Status: Red, Progress:Yellow) – SSA is building the infrastructure needed to support public-private competition and improve the efficiency and effectiveness of Agency processes.

*Improve Financial Performance* (Status: Yellow, Progress: Green) – SSA has received an unqualified opinion on its financial statements since 1994. OMB has noted, however, that SSA needs more fully integrated financial and performance management systems that support day-to-day decisionmaking. Another important aspect of this initiative, to reduce erroneous payments, is addressed under the Strategic Objective: Prevent fraudulent and erroneous payments and improve debt management.

Issues surrounding the *Electronic Government* initiative (Status: Yellow, Progress: Green), are addressed as a part of our Service goal.

*Budget and Performance Integration* (Status: Yellow, Progress: Green) – OMB has indicated that SSA must present a budget that permits direct comparison between incremental funding amounts and the performance outcomes of specific activities. SSA's Inspector General has also cited performance management and data reliability as significant management issues. SSA is developing a new budget formulation system that will have modeling capabilities to estimate what level of performance to expect for different levels of funding.

Apart from the PMA, SSA's OIG has designated systems security as a major management issue. While recognizing SSA's efforts to provide for systems security, OIG states, "SSA needs to take steps to strengthen its information security framework and improve its overall critical information infrastructure." Information is a critical Agency asset. Maintaining the security of the information that SSA holds is an important management responsibility. As we come to rely more and more on technology and as the demand for online service increases, it is critical that SSA's systems be protected from cyber fraud.

## Means and Strategies

To address the President's Management Agenda and other significant management issues described above, SSA will:

- Establish a public-private competition process that ensures competitive sourcing is used to improve the efficiency and effectiveness of Agency processes and provide the greatest benefit to the taxpayer;
- Complete program evaluations using the OMB's PART and use the evaluations to make improvements where appropriate;
- Develop and implement integrated work measurement, budget formulation and financial and cost accounting systems that fully and accurately capture the work that we do and provide the detailed information managers need to make informed decisions on how best to manage performance and resources;

### Key Outcomes

Success in meeting this objective will be measured in our annual performance plans by our progress towards achieving the following key outcomes:

- Compete or convert 50 percent of commercial positions;
- Annually receive an "unqualified opinion" on SSA's financial statements with no material weaknesses reported by auditors;
- Implement core functionalities of a comprehensive cost accountability system and a unified measurement system by 2008;
- Increase productivity by at least 2 percent annually on average; and
- "Get to green" on all five President's Management Agenda items.

- Develop a comprehensive quality management plan for reviewing business processes and ensuring the effective integration of process evaluation across component lines; and
- Implement and maintain a strengthened Agency security plan, a comprehensive program for ensuring continuity of operations and information systems security through rules of behavior and personnel controls, training, incident response capacity, risk management, contingency planning and disaster recovery.

Through SSA's service delivery assessment, we are reexamining all programs and processes and identifying new ways to achieve efficiencies and improve service. Several major initiatives we are undertaking to increase productivity are:

- Accelerating implementation of an electronic disability process that will capture and store all essential material from the disability claims folder, allowing all components in the disability claims process immediate access to the file;
- Continuing modernization of the OASDI and SSI processing systems to provide employees greater capacity to process work at the first point of contact and online access to comprehensive information;
- Employing technology such as digital recording of hearings, speech recognition software, video teleconferencing and bar coding for case tracking to improve productivity and streamline workflow in hearings offices;
- Increasing the range and use of services we offer electronically to the public, businesses and other government agencies; and
- Increasing online SSA access to information held by States and other private and public entities needed to administer our programs and deliver service to the public.

## **Strategic Goal: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations**

The American population is growing older, with profound, long-term effects on the sustainable solvency of Social Security programs. In the 2003 Annual Report of Social Security's Board of Trustees, which includes 75-year projections, the Trustees state that Social Security is unsustainable over the long term at present payroll tax and scheduled benefit levels. Additionally, the Comptroller General of the United States also has repeatedly testified that Social Security is unsustainable over the long term.

New patterns of work and earnings, marriage, divorce and childbearing are changing the characteristics of American families. Americans are living longer and healthier lives. Eighty million baby boomers are approaching retirement, and, in about 30 years, there will be nearly twice as many older Americans as there are today. The birth rate is below the population replacement rate of 2.1 births per woman. The Americans with Disabilities Act and medical and technological advances are altering the concept of disability. This and other related concerns led the General Accounting Office to add modernizing all federal disability programs to its high-risk list. Social Security programs must respond to these developments.

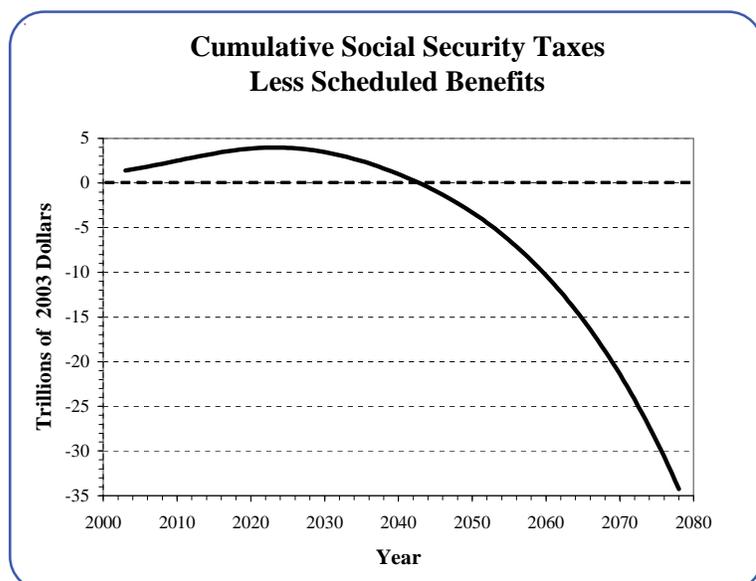
This goal and single strategic objective address the Agency's responsibility to continually assess the retirement and disability programs in the context of societal trends and support reforms to ensure the programs meet the needs of today's and tomorrow's beneficiaries.

## **Strategic Objective: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs**

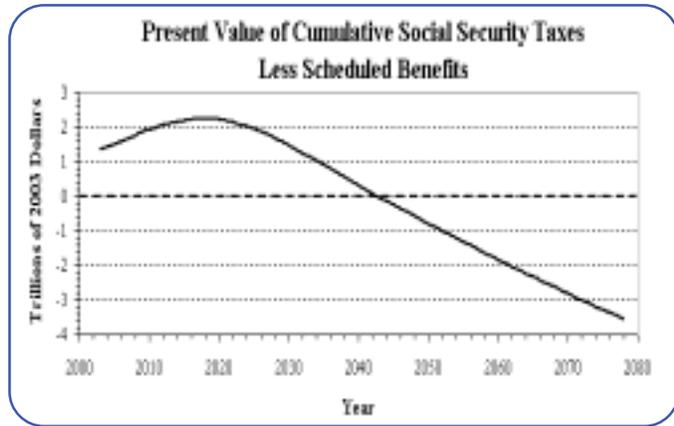
### **Issues**

Today, about 3.3 people pay into Social Security for every person receiving benefits. By 2030, this ratio is expected to decline to about 2.2 to 1. Social Security now collects more in taxes than it pays out in benefits. Within 15 years, we will begin paying more in benefits than we collect in taxes. By 2042 the trust funds will be exhausted and the payroll taxes collected will be insufficient to pay the benefits owed.

One way to illustrate the financial shortfall of the Social Security system over the next 75 years is to examine the cumulative value of taxes less cost, assuming currently scheduled benefits and tax rates. As the chart on this page shows, in today's



dollars and assuming that Social Security could borrow at Treasury interest rates, the shortfall is \$34 trillion. In present-value terms, the shortfall is \$3.5 trillion, which is roughly equivalent to the total U.S. government debt held by the public today (see chart at right).



Without reforms, benefits scheduled to be paid under present law would have to be reduced by 35 percent by the end of the next 75 years, or, if scheduled benefits were paid, payroll tax rates would ultimately be increased by about 50 percent over that same period.

President Bush established a bipartisan Commission in May of 2001 to address the long-term future of Social Security and to make recommendations to reform the program without raising payroll taxes, reducing benefits for current and near retirees, or investing by the government in the stock market, while still preserving disability and survivors benefits. In addition, the President directed that the Commission's recommendations include individually-controlled, voluntary retirement accounts to augment Social Security. The Commission proposed three alternatives, which all included personal savings accounts as a way to increase investment returns and ensure Social Security programs meet the needs of current and future generations.

The President, Social Security's Trustees, the Social Security Advisory Board, the Comptroller General and many members of the Congress have stated that the sooner reforms happen, the more gradual and less costly the changes will be. As the debate moves forward on how best to strengthen Social Security for the future, SSA must work to ensure that policymakers and the public have the information needed to assess the implications of all proposals under consideration.

## Means and Strategies

Serving as the expert source of information on the different solvency proposals offered, SSA will:

- Maintain an in-house capacity of policy, actuarial, and legislative expertise to respond to decisionmakers' questions about the fiscal, distributional, and administrative aspects of proposals to modernize the Social Security programs;
- Continue to educate the public about financing challenges facing the Social Security programs through the Agency's ongoing communications program; and
- Work with the Administration and Congress as legislative proposals to achieve sustainable solvency are developed, and subsequently implement such proposals.

### Key Outcome

Success in meeting this objective will be measured in our annual performance plans by our progress toward achieving the following key outcome:

- Achieve reform that ensures long-term solvency.

Indicators of our progress in supporting reform will appear in the annual performance plans in the form of analyses and recommendations. These are the deliverables we will provide to the Administration and Congress on Social Security reform. We also will measure the extent to which the public is knowledgeable about Social Security programs and issues, including long-range financing.

## **Strategic Goal: To strategically manage and align staff to support SSA's mission**

SSA's employee retirement wave not only will affect our ability to deliver service to the American public, but also will result in a significant drain of SSA's institutional knowledge. SSA and the State DDSs will be faced with the continuing challenge of hiring and retaining a highly skilled and diverse workforce in what is expected to be a very competitive job market.

SSA was early in recognizing the implications of the retirement wave and in taking actions to address it. Ongoing retirement wave analysis and succession planning have led SSA to implement aggressive employee development programs at all levels and redeploy positions to direct service. The Agency also has emphasized recruitment of Presidential Management Interns and outstanding scholars and increased use of hiring flexibilities. SSA continues to build on these early efforts.

As SSA deals with significant workload growth and its own increasing numbers of retirements, we will strive to maintain a high-performing workforce and enhance productivity through automation, job enrichment opportunities and training, redistribution of staff to direct service positions, succession planning, leadership development, new performance management systems, and other service enhancements. Through this goal, SSA addresses each dimension of the President's Management Agenda Human Capital initiative:

- Align human capital policies to support the Agency's mission, goals and strategies;
- Recruit, hire, develop and retain employees with mission-critical strategic competencies;
- Ensure leadership in the Agency inspires and motivates others towards goals, and models high standards of integrity and respect for individuals;
- Motivate employees for high performance, based on their contribution to the work of the organization, and common values while ensuring fairness in the workplace; and
- Promote a knowledge-sharing culture, openness, and continuous learning and improvement.

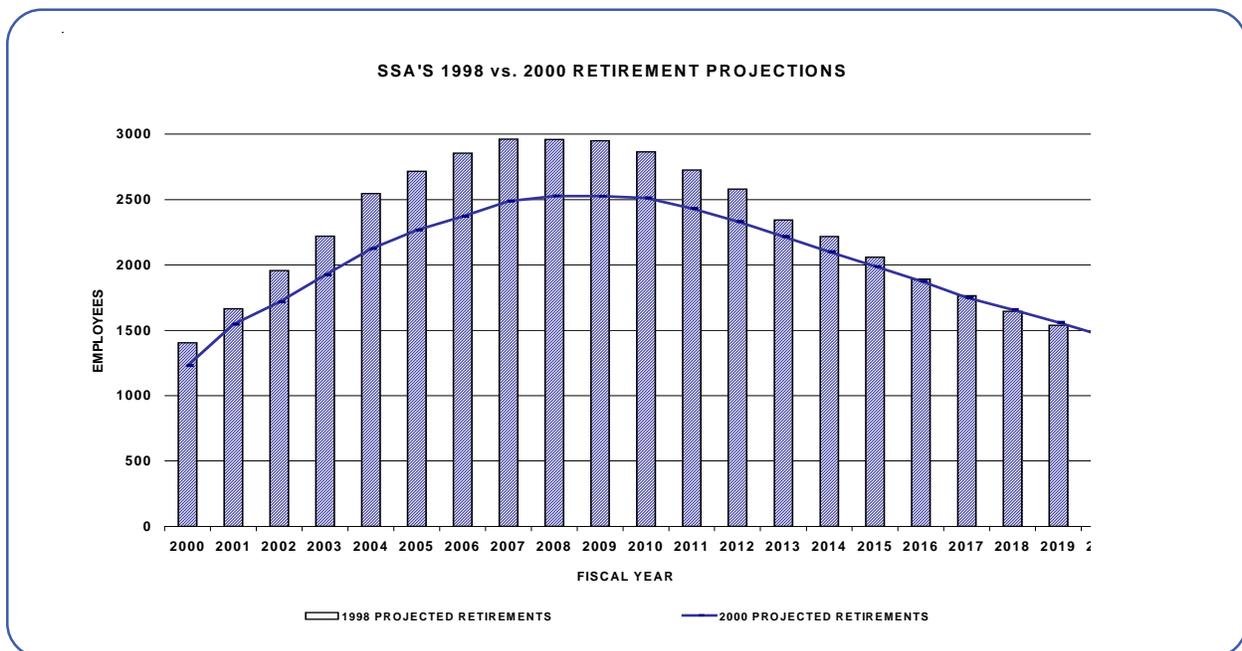
## **Strategic Objective: Recruit, develop and retain a high-performing workforce**

### **Issues**

GAO has expressed concern that SSA's ability to continue providing high quality service is potentially weakened by our oncoming employee retirement wave. Vacancies will be filled by ever-increasing numbers of new hires and newly promoted trainees. The loss of so many experienced employees at all levels and position types is one major concern. Maintaining skill levels and experienced leadership in the face of growing workloads is another. But the wave presents an opportunity as well. In recent years, SSA used "early out" retirements to flatten the retirement wave, as well as to help move staff from support services to direct services. SSA's response to these challenges is framed by and addresses the President's Management Agenda, which directs agencies to make government citizen-centered through the strategic management of human capital. Towards this goal, the President has directed agencies to:

- Reduce the distance between citizens and decisionmakers, by reducing the number of managers, the number of organizational layers, and the time it takes to make decisions;

- Redistribute staff from administrative positions to front-line service delivery;
- Capture employee knowledge and skills through knowledge management systems; and
- Make better use of personnel flexibilities to acquire and develop talent and leadership.



SSA is not alone in its human capital challenge. Every federal agency faces a similar retirement wave. This means SSA is in direct competition with the rest of Government, as well as the private sector, in its need to recruit and retain an outstanding workforce.

SSA must be prepared to realign and reposition employees to enable us to adapt quickly to accommodate changes brought about by new technologies and competitive sourcing initiatives. SSA is and has long been citizen-centered. For many years, citizens have been in direct contact with the front-line service delivery employees who are the decisionmakers of their claims and pre- and post-entitlement actions. During the past decade, we have also significantly added to the number of direct service personnel by converting support positions. OMB points out, "Given the expected future workloads and the state of customer service, there is a compelling argument for additional redeployment of staff to front-line positions." Recognizing this, SSA has already transferred nearly 300 positions to direct service, and is continuing its work in this direction.

## Means and Strategies

SSA strategies to recruit, develop and retain a high-performing workforce include a wide array of tools and activities, including:

- Continued use and expansion of personnel hiring flexibilities in strategic areas with above minimum pay for systems analysts, awards and reemployment annuitant waivers;
- Development of core competencies and delivery of employee competency-based training;
- Technology-based skills training for direct service employees, critical to ensure that SSA can manage its workloads;
- Succession planning;
- National, component and regional leadership development programs;
- Knowledge management strategies, including succession analysis, collection of baseline training data, filling vacancies before the incumbent leaves, and targeting critical positions;
- Improved accountability through new performance management systems for Senior Executive Service members in FY 2003 and for General Schedule employees in future years;
- Flexible work schedules and locations;
- Maintenance of SSA's high degree of workforce diversity and continued effort to foster a workforce that mirrors the public we serve;
- Increasing the number of employees in front-line positions, while maintaining proper technical, policy, systems and administrative support; and
- Employee outreach, featuring the development of a new internal communications strategy and completion of our improved employee suggestion program.

### Key Outcomes

Success in meeting this objective will be measured in SSA's annual performance plans by Agency progress towards achieving the following key outcomes:

- By 2008, demonstrate an improvement in the retention rate;
- Implement new performance management systems to better recognize and reward superior performance for:
  - SES executives in 2003
  - GS-15s by 2004
  - GS-14 and below employees by 2005; and
- Ensure ongoing job enrichment opportunities and training



## Part IV: Future Program Evaluations

SSA continues to build upon its body of program data, research and analysis to identify strengths and weaknesses in its programs and processes as well as to evaluate the potential impact of proposals for change and the actual effects of proposals after they are implemented.

Improving programs by focusing on results is an integral component of the President's Budget and Performance Integration initiative. For the FY 2004 President's Budget, OMB issued the PART, which is a diagnostic tool used to examine different aspects of program performance to identify the strengths and weaknesses of a given federal program. SSA and OMB recently assessed the Disability Insurance and SSI Aged programs. Future program evaluations to be conducted with PART are yet to be determined by OMB and the Agency.

SSA conducts hundreds of process and program evaluations annually. Many are designed to evaluate and improve internal processes falling below the strategic level. The following table displays the major strategic process or program evaluations scheduled for the FY 2003-2008 period.

GOAL	EVALUATION	DESCRIPTION	COMPLETION DATE
SERVICE	Service Satisfaction Survey	Survey of overall public satisfaction with service	Annually in September
	Service Expectation Study	Assesses the needs, expectations and priorities of each major SSA client group	Annually
	Internet Social Security Benefit Application Survey	Measures applicant satisfaction with the Internet application process	FY 2004
	Internet Services Satisfaction Surveys	Satisfaction surveys related to new or expanded Internet services made available to the public in FY 2003 or for other issues related to Internet service delivery	Dates, subject, scope, and methodology to be determined based on Agency information needs.
	Targeted Notice Surveys	Provides baseline information regarding (a) SSA's most problematic Title II notices and (b) SSI Award notices	Completed in FY 2003
	Employer Survey	Survey of employer satisfaction with SSA's service	Annually in April
	State Partnership Evaluations	Evaluates the effects of demonstration projects to assist States in developing integrated employment services for disabled beneficiaries	Final results 2005

GOAL	EVALUATION	DESCRIPTION	COMPLETION DATE
<b>SERVICE</b>	Ticket Evaluation	Evaluates the effectiveness of the "ticket" provisions of the Ticket to Work and Work Incentives Improvement Act of 1999	Major Reports 2005, 2007
	Congressional Report on Adequacy of Incentives under the Ticket to Work Program	Evaluates the extent to which payments to Employment Networks under the Ticket to Work Program provide sufficient incentives to ensure that beneficiaries with high-cost needs receive adequate services	FY 2003
<b>STEWARDSHIP</b>	RSDI Stewardship Review	Review of dollar accuracy of payment outlays	Annually
	SSI Stewardship Review	Review of dollar accuracy of payment outlays	Annually
	SSI Annual Report	Commissioner of Social Security reports to President and Congress on the status of the SSI program	Annually
	Enumeration Review	Review of enumeration process to determine the quality of SSN issuance	Annually
	CDR Report to Congress	Reports on SSA's progress in meeting CDR requirements under law and assesses effectiveness of CDRs	Annually
	Safeguard Procedures Report/Activity Report	Report to IRS on security procedures in place for each SSA system using or storing IRS data	Annually
	GISRA Report to OMB	Report on the status of SSA's information security program	Annually
<b>SOLVENCY</b>	Trustees Report	Board of Trustees Report on the OASDI/Hi/SMI Trust Funds	Annually
	Evaluation of Changing Benefit Structures	Evaluates the distributional impact of changing OASI and SSI benefits	Ongoing
	Public Understanding Measurement System Survey	Public survey of adults age 18 and over to assess their knowledge of Social Security programs and related issues – National	Annually

<b>GOAL</b>	<b>EVALUATION</b>	<b>DESCRIPTION</b>	<b>COMPLETION DATE</b>
<b>STAFF</b>	New Hire Study	Evaluates why job candidates select SSA, and why they choose to stay or to leave early in their careers	FY 2003
	Competency-Based Hiring	Evaluates use of a claims representative assessment tool in the hiring process with a pilot to run through September 2003 and an evaluation in January 2004	FY 2004



## Part V: Consultations

SSA used its existing procedures for consulting with Congress and soliciting and considering the views of the Social Security Advisory Board and other interested parties in developing this plan.

The Agency maintains a close working relationship with key congressional staff, who provide us with valuable insight into areas of congressional interest. Congressional hearings provide a key venue for discussing with Congress topics of current concern. We have used these opportunities to share with Congress our strategies for addressing many of the critical issues identified in this plan. Over the last year, we have testified at a number of hearings covering issues including: Integrity of the SSN, Major Challenges Facing the New Commissioner, Stewardship of the SSI Program and Disability Program Challenges and Opportunities. These hearings also provide another means for advocates and other interested parties to provide their opinions on improving Social Security programs. We also respond to numerous inquiries from members of Congress and their staff, including those that are seeking information, asking for help with a specific problem, or discussing suggestions for improving SSA's programs.

SSA regularly briefs the Social Security Advisory Board on its plans for addressing areas of particular concern to the Board and the Board periodically issues findings and recommendations relating to SSA's programs and processes. The Ticket to Work and Work Incentives Improvement Panel likewise is briefed by SSA and provides recommendations to SSA on return-to-work issues.

Oversight agencies, most notably GAO and SSA's OIG, regularly review and audit SSA's processes. Through a formal established process, SSA responds to findings and recommendations and initiates action to implement recommendations, where appropriate.

The Agency has a comprehensive system for collecting direct feedback through a variety of vehicles about service needs, expectations and levels of satisfaction from the people who do business with us, and from major interest groups. Additionally, the Agency solicits public comments whenever it publishes a Notice of Proposed Rulemaking in the Federal Register and even publishes notices just to request comments on a subject.

Through a combination of focus groups, service satisfaction surveys, service expectation studies, ad hoc special studies and comment cards, we regularly obtain input from the public – SSN applicants, benefit applicants and beneficiaries – to help us identify areas for improvement. Through employer surveys and focus groups, meetings with industry representatives and annual conferences with the payroll community, we solicit the views of businesses, employer groups, and the recipients of SSA employer services.

SSA frequently meets with a wide range of interest groups that advocate for various populations in society, for example, the aging, the disabled, women, minorities and young workers. Meetings focus on issues of interest to a particular group, such as program financing, return-to-work initiatives and electronic service delivery. Periodically, SSA conducts public forums on specific issues. An example of recent note is the national dialogue on SSI childhood disability held last year to bring together policy analysts, program administrators, community groups and families to discuss trends in childhood disability programs.

SSA has numerous ongoing working relationships with States and other agencies in the federal sector to assist us in accomplishing our mission and help them accomplish theirs. The character of these relationships ranges from simple data exchanges, through program coordination, to actual processing of each other's work. Our policymakers and process designers regularly consult with other federal and State entities with which we share clients and interest groups. Coordinated efforts of strategic importance featured in this plan are those with BCIS on enumeration improvements; IRS on improving earnings accuracy; the States on increasing electronic access to vital statistics information; and DOL, CMS, DOE and DHHS on providing coordinated programs to support employment of people with disabilities.





**Social Security Administration  
Office of Chief Strategic Officer  
Office of Strategic Management  
SSA Pub. 01-001  
March 2003**